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2011 AUG 22 P 2: 22

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

AUG 22 2011

DOCKETED BY

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

IN THE MATTER OF:

TERRY L. SAMUELS and ELIZABETH
SAMUELS, husband and wife,

JAMES F. CURCIO and JILL L. CURCIO,
husband and wife,

3-CG, LLC, an Arizona limited liability
market company,

CHOICE PROPERTY GROUP, LLC, an
Arizona limited liability company,

AZIN INVESTOR GROUP, LLC, an Arizona
limited liability company,

AZIN INVESTOR GROUP II, LLC, an
Arizona limited liability company,

AZIN INVESTOR GROUP III, LLC, an
Arizona limited liability company,

AZIN INVESTOR GROUP IV, LLC, an
Arizona limited liability company,

COMBINED HOLDINGS IV, LLC, an
Arizona limited liability company,

And

DOCKET NO. S-20812A-11-0281

NOTICE OF OPPORTUNITY FOR
HEARING REGARDING PROPOSED
ORDER TO CEASE AND DESIST,
ORDER FOR RESTITUTION, ORDER
FOR ADMINISTRATIVE PENALTIES,
AND ORDER FOR OTHER
AFFIRMATIVE ACTION

1 COMBINED HOLDINGS V, LLC, an
2 Arizona limited liability company,

3 Respondents.
4
5

6 Come now Respondents, TERRY L. SAMUELS and ELISABETH SAMUELS, husband
7 and wife, by and through their undersigned counsel, JAMES ROACH II, ESQ., and for their
8 ANSWER to the NOTICE OF OPPORTUNITY FOR HEARING REGARDING PROPOSED
9 ORDERS dated July 18, 2011, state as follows:
10

11 I
12 JURISDICTION

- 13 1. Respondents admit the allegations of Paragraph 1
14

15 II
16 RESPONDENTS

- 17 2. Respondents admit the allegations of Paragraph 2.
18 3. Respondents admit the allegations of Paragraph 3.
19 4. Respondents deny the allegations of Paragraph 4.

20 III
21 FACTS

- 22 5. Respondents admit the allegations of Paragraph 5.
23 6. Respondents admit the allegations of Paragraph 6.
24 7. Respondents deny the allegations of Paragraph 7.
25 8. Respondents admit the allegations of Paragraph 8.
26 9. Respondents are without sufficient information to either admit or deny the
27 allegations of Paragraph 9.
28

10. Respondents deny the allegations of Paragraph 10.
11. Respondents admit the allegations of Paragraph 11.
12. Respondents deny the allegations of Paragraph 12
13. Respondents admit the allegations of Paragraph 13 only with respect to “early investors.” Respondents deny the remaining allegations of Paragraph 13.
14. Respondents admit the allegations of Paragraph 14 only with respect to “early investors.” Respondents deny the remaining allegations of Paragraph 14.
15. Respondents admit the notes and DOTs were not registered with the Commission. Respondents deny the notes and DOTs constituted “securities” offered or sold within Arizona.
16. Respondents admit individual investors were not the only source of funding. Respondents deny that additional funds were obtained solely through “institutional lenders.” Respondents deny that lenders obtained first-position liens on all properties purchased.
17. Respondents deny the allegations of Paragraph 17 insofar as the allegation suggests that the funds were obtained solely from “institutional lenders.”
18. Respondents admit the allegations of Paragraph 18.
19. Respondents admit in part and deny in part the allegations of Paragraph 19. While CURCIO joined the Business at the end of 2006 and did participate in a previous transaction with Respondents, Respondents only knowledge of CURCIO’s expertise and experience is based upon CURCIO’s representations.
20. Respondents deny the allegations of Paragraph 20.

1 21. Respondents deny the allegations of Paragraph 21 regarding "implementation" of
2 any strategy. Respondents admit the allegations of Paragraph 21 regarding the formation
3 of the AZIN Entities.

4 22. Respondents deny the allegations of Paragraph 22.

5 23. Respondents deny the allegations of Paragraph 23.

6 24. Respondents deny the allegations of Paragraph 24.

7 25. Respondents deny the allegations of Paragraph 25.

8 26. Respondents deny the allegations of Paragraph 26.

9 27. Respondents deny the allegations of Paragraph 27.

10 28. Respondents deny the allegations of Paragraph 28.

11 29. Respondents are without information sufficient to either admit or deny the
12 allegations of Paragraph 29.

13 30. Respondents are without information sufficient to either admit or deny the
14 allegations of Paragraph 30.

15 31. Respondents deny the allegations of Paragraph 31.

16 32. Respondents are without information sufficient to either admit or deny the
17 allegations of Paragraph 32.

18 33. Respondents deny the allegations of Paragraph 33 with respect to SAMUELS
19 participation. Respondents are without information sufficient to either admit or deny the
20 remaining allegations of Paragraph 33.

21 34. Respondents deny the allegations of Paragraph 34.

22 35. Respondents neither admit nor deny the allegations of Paragraph 35.

23 36. Respondents deny the allegations of Paragraph 36.

- 1 37. Respondents deny the allegations of Paragraph 37.
- 2 38. Respondents admit the allegations of Paragraph 38.
- 3 39. Respondents deny the allegations of Paragraph 39.
- 4 40. Respondents deny the allegations of Paragraph 40.
- 5 41. Respondents admit the allegations of Paragraph 41.
- 6 42. Respondents admit the allegations of Paragraph 42.
- 7 43. Respondents deny the allegations of Paragraph 43.
- 8 44. Respondents deny the allegations of Paragraph 44.
- 9 45. Respondents deny the allegations of Paragraph 45.
- 10 46. Respondents admit the allegations of Paragraph 46.
- 11 47. Respondents deny the allegations of Paragraph 47.
- 12 48. Respondents deny the allegations of Paragraph 48.
- 13 49. Respondents deny the allegations of Paragraph 49.
- 14 50. Respondents deny the allegations of Paragraph 50.
- 15 51. Respondents deny the allegations of Paragraph 51.
- 16 52. Respondents deny the allegations of Paragraph 52.
- 17 53. Respondents deny the allegations of Paragraph 53.
- 18 54. Respondents deny the allegations of Paragraph 54.
- 19 55. Respondents deny the allegations of Paragraph 55.

24 IV
25 REQUESTED RELIEF

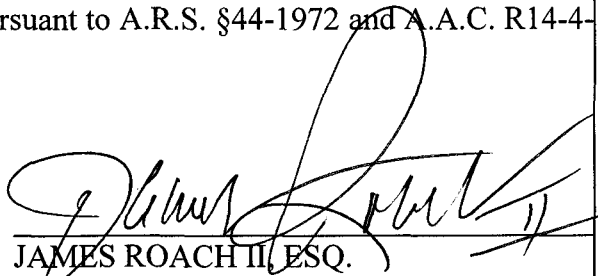
26 The Respondents request that the Commission dismiss the charges asserted by the Arizona
27 Corporation Commission, Securities Division.

28

V
REQUEST FOR HEARING

The Respondents formally request a hearing pursuant to A.R.S. §44-1972 and A.A.C. R14-4-306.

Dated this 22nd day of August, 2011.



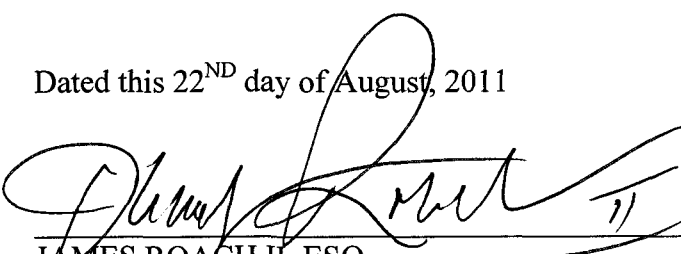
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PHOENIX, ARIZONA 85016
602 710-1150

COPY OF THIS ANSWER FILED AND HAND
DELIVERED AUGUST 22, 2011 AS FOLLOWS:

DOCKET CONTROL
ARIZONA CORPORATION COMMISSION
1200 WEST WASHINGTON
PHOENIX, ARIZONA 85007

ARIZONA SECURITIES DIVISION
1300 WEST WASHINGTON, 3RD FLOOR
PHOENIX, ARIZONA 85007

Dated this 22ND day of August, 2011



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